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Attorneys for Plaintiff  
InnovaSystems International, LLC

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

Plaintiff, INNOVASYSTEMS INTERNATIONAL, (“INNOVA”), for its Complaint against defendants GLENN PIPER (“PIPER”) and DAVID ARMGA (“ARMGA”), ARMAGASYS, INC. and ARMGA CONSULTING, LLC, alleges as follows:

## THE PARTIES

1. INNOVA is a limited liability company, organized and existing under the laws of the State of California, with its principal place of business in San Diego, California. INNOVA is in the business of providing leading edge information and technology solutions, including software application development, engineering and consulting services for the federal government, and in particular, the Department of Defense. Virtually all of INNOVA's work is confidential, deemed "classified," requires security clearance, and involves matters of national security.

2. PIPER is an individual residing in Idaho. PIPER was formerly employed by INNOVA at one of its commercial facilities in Boise, Idaho. PIPER is a software engineer and developer.

3. ARMGA is an individual residing in Idaho. ARMGA was formerly employed by INNOVA at the same commercial facility in Boise, Idaho where Defendant PIPER also worked. ARMGA is a software engineer and developer and served INNOVA as a project lead and manager.

4. ARMGASYS, INC. (“ARMGASYS”) is an Idaho corporation, with its principal place of business in Meridien, Idaho. On information and belief, ARMGASYS was formerly known as Armga Integrated Systems, Inc., and was formed by ARMGA, during the time he was employed by INNOVA, for the purpose of competing against INNOVA, using INNOVA’s trade secrets and confidential information. On information and belief, ARMGASYS is the alter ego of ARMGA insofar as it is inadequately capitalized, has no functional officers or directors, fails to observe corporate formalities, and has co-mingled assets with ARMGA. Justice and equity can only be accomplished, and fraud and unfairness can only be defeated, by piercing the corporate veil of ARMGASYS and disregarding its corporate form.

5. ARMGA CONSULTING, LLC (“ARMGA CONSULTING”) is an Idaho limited liability company, with its principal place of business in Nampa, Idaho. On information and belief, ARMGA CONSULTING is the alter ego of ARMGA insofar as it is inadequately capitalized, has no functional officers or directors, fails to observe corporate formalities, and

1 has co-mingled assets with ARMGA. Justice and equity can only be accomplished, and fraud  
2 and unfairness can only be defeated, by piercing the corporate veil of ARMGASYS and  
3 disregarding its corporate form.

4           6.       In doing the things herein alleged, each defendant was acting as the agent,  
5 servant, accomplice and co-conspirator of the other.

## **JURISDICTION AND VENUE**

7       7. This Court has subject matter jurisdiction over this case pursuant to 28 U.S.C. §  
8 1332 because the matter in controversy exceeds \$75,000.00 exclusive of interest and costs, and  
9 is a dispute between citizens of different states. Venue is proper under 28 U.S.C. § 1391(a).

10       8.     The contracts at issue between the parties were entered into in San Diego,  
11 California. The contracts involved some performance by Defendants ARMGA and PIPER  
12 outside of San Diego, but their contract performance activities were most often completed in  
13 San Diego when these Defendants delivered the completed component parts of certain software  
14 development activities to INNOVA at INNOVA's San Diego offices, for integration by  
15 INNOVA into its other contract work for the Department of Defense, often for SPAWAR,  
16 located in San Diego, California. In addition, the Employment Agreements entered by  
17 Defendants ARMGA and PIPER are governed by California law, and the parties agreed that  
18 disputes under those agreements would be resolved through arbitration in San Diego,  
19 California, such that Defendants purposely availed themselves of the benefits of California law  
20 and could reasonably foresee being subject to jurisdiction of courts in California. Therefore,  
21 the Court has personal jurisdiction over defendants.

## FACTS

23        9.        In or about November, 2005, INNOVA hired ARMGA as a Senior Software  
24        Engineer and Systems Analyst for its Idaho base of operations, acting as a group leader.  
25        INNOVA conducts business operations for the Department of Defense for the United States  
26        government at various locations designated by the Department of Defense. On November 1,  
27        2005, INNOVA entered into a written Employment Agreement with ARMGA encompassing  
28        the work ARMGA would perform for INNOVA, and the terms and conditions of that

1 employment. ARMGA executed the Employment Agreement. A copy of the INNOVA-  
2 ARMGA Employment Agreement is attached to this complaint as Exhibit A.

3       10. In or about October 2006, INNOVA hired PIPER as a Software Engineer for its  
4 Idaho based operations. On October 10, 2006, as part of PIPER's employment at INNOVA,  
5 the parties entered into a written Employment Agreement wherein PIPER contracted for and  
6 agreed to work for INNOVA at INNOVA's commercial base of operations in Boise, Idaho.  
7 PIPER executed the Employment Agreement. A copy of the INNOVA-PIPER Employment  
8 Agreement is attached to this Complaint as Exhibit B.

9       11. According to each Employment Agreement, both ARMGA and PIPER agreed as  
10 follows:

11           **"7. LIMITATION ON OTHER ACTIVITY**

12           During the term of this Agreement, EMPLOYEE shall not  
13 participate in other business or professional activities that may  
14 impinge or interfere, either directly or indirectly, with the full  
15 devotion and dedication of EMPLOYEE to the business of  
16 EMPLOYER. . . . During the term of this Agreement and for a  
17 period of one year after termination of this Agreement, the  
18 EMPLOYEE agrees to refrain from soliciting or accepting  
19 offers of temporary or consulting employment with any Client  
introduced to the EMPLOYEE by the EMPLOYER without the  
prior written consent of InnovaSystems. The EMPLOYEE  
agrees not to accept offers of temporary or consulting  
employment with any Client who the EMPLOYEE interviews  
with as a result of an interview arranged by EMPLOYER  
without the express written consent of InnovaSystems for the  
term of this Agreement and for a period of one year after the  
termination of this Agreement."

20       12. As part of ARMGA and PIPER'S employment at INNOVA, each Defendant  
21 was required to acknowledge reading and receiving INNOVA's Employee Policy Manual. In  
22 or about November 2005, ARMGA executed such an Acknowledgment, informing INNOVA  
23 that he had acknowledged receiving a copy of the Employee Manual, and further  
24 acknowledging that it was his responsibility to read the manual and to comply with its policies,  
25 practices and rules of employment. In or about October 2006, PIPER executed such an  
26 Acknowledgement, also informing INNOVA that he had acknowledged receiving a copy of  
27 the Employee Manual, and further acknowledging that it was his responsibility to read the  
28 manual and to comply with its policies, practices and rules of employment. A signed copy of

1 ARMGA's Acknowledgment of the Employee Policy Manual is attached hereto as Exhibit C.  
2 A signed copy of PIPER's Acknowledgment of the Employee Policy Manual is attached hereto  
3 as Exhibit D. Under the terms of the company's Employee Policy Manual, there is an  
4 acknowledgment in Paragraph 4.12, entitled "Trade Secret Protection" that the company was  
5 the owner of all trade secrets developed by the employee during the performance of duties as  
6 an employee of INNOVA, that trade secrets included all of the company's confidential and  
7 proprietary information and that the company treated all of its trade secrets and proprietary  
8 information as confidential, to be protected from misuse. A copy of the relevant portions of  
9 the INNOVA Employment Policy Manual is attached hereto as Exhibit E.

10       13. As a trusted manager, ARMGA was also required to take training courses  
11 regarding the highly sensitive and confidential nature of INNOVA's salary formulations and  
12 competitive labor rates. In this training, which ARMGA acknowledged taking and  
13 understanding, it was emphasized that INNOVA's salary and billing rate information was  
14 "Company Confidential," and could not be disclosed or discussed outside of key directors and  
15 project managers with a need to know this information. It was also emphasized that  
16 INNOVA's labor rates were its "key to competitive edge" and ARMGA was trained that salary  
17 and rate information was to be maintained in the strictest confidence.

18       14. Pursuant to ARMGA's and PIPER's employment with INNOVA, ARMGA and  
19 PIPER acknowledged that any and all client information obtained during his employment with  
20 INNOVA was confidential information that belonged to INNOVA, that ARMGA and/or  
21 PIPER would not disclose at any time during or after his employment with INNOVA.

22       15. In addition, due to the sensitive work performed by INNOVA for the  
23 Department of Defense and the highly confidential nature of that work, ARMGA and PIPER  
24 acknowledged that the disclosure of any confidential information would result in injury to  
25 INNOVA and injure its reputation and impair its ability to perform further work for the federal  
26 government and, in particular, the Department of Defense.

27       16. Accordingly, ARMGA and PIPER acknowledged that each would hold such  
28 information in confidence, during and after his employment with INNOVA, and not discuss,

1 communicate or transmit the information, except to further the interests of INNOVA.

2 ARMGA and PIPER also agreed not to solicit INNOVA clients for 12 months following the  
3 termination of his employment.

4       17. The information to which ARMGA and PIPER had access was gathered over  
5 many years and contained confidential, nonpublic information about INNOVA, the  
6 Department of Defense, its systems, its strategic initiatives and its future plans and projects.

7       18. ARMGA and PIPER worked together at INNOVA on the same team, focusing  
8 on the same projects, working closely together on such projects on a daily basis. ARMGA  
9 served in a lead role, acting as a valued, trusted, team leader, frequently interfacing with  
10 INNOVA's customer, and by virtue of his trusted, lead capacity, gained unique access to many  
11 confidential aspects of INNOVA's relationship with its customer, including such critical  
12 information as the opportunity to bid for contracts with that customer, the value and pricing of  
13 work product, hourly rates, contract values, timelines for project completion, staffing of  
14 projects, unique customer needs, as well as the timing and funding of projects for INNOVA's  
15 customer. As part of ARMGA's status as a trusted leader, ARMGA was uniquely positioned  
16 to control INNOVA's relationship with its customer, and was knowledgeable about such  
17 confidential information as contract numbers, labor categories, labor hours distribution,  
18 company proprietary rates and overhead rates, the time of completion of projects, and the  
19 quality and security documentation and information of the actual work performed. As a lead  
20 manager responsible for preparing contract proposals, ARMGA had access to and used this  
21 confidential, trade secret information.

22       19. On or about January 21, 2011, ARMGA gave notice to INNOVA that he would  
23 be resigning at the end of the month. ARMGA resigned effective January 31, 2011. ARMGA  
24 informed INNOVA that he was going to return to teaching, which INNOVA later learned was  
25 false. ARMGA's departure came at a curiously critical time in INNOVA's work at its Idaho  
26 operations, in that the project that ARMGA was most integrally involved with was about to be  
27 the subject of a new contract between INNOVA and its customer. Before resigning and ending  
28 his employment, ARMGA permanently deleted all of the documents on his computer, and he

1 permanently deleted all of his Outlook emails, including all of his “deleted” and “sent”  
2 messages. INNOVA’s subsequent computer forensic inspection revealed the reason why  
3 ARMGA took these highly unusual steps: he was destroying evidence of his unlawful  
4 behavior.

5       20. Through computer forensic investigation, INNOVA learned that two days  
6 before he announced his resignation, ARMGA accessed a number of highly confidential,  
7 proprietary documents containing sensitive cost estimates, project plans, and other contract  
8 information relating to INNOVA’s pending contract award with its customer, as well as  
9 confidential TFS systems/data information, a process tracker tool, CNI system information,  
10 and FOM (Figure of Merit) processes and systems information. These secret project  
11 management, cost, pricing and technical documents constitute INNOVA’s trade secrets,  
12 because they contain information not known to industry participants or the general public,  
13 which information gave INNOVA an economic advantage in its ability to win and renew its  
14 contracts, and because INNOVA takes reasonable measures to protect their secrecy. Armed  
15 with these documents or the information in them, a competitor could easily undercut  
16 INNOVA’s pricing, and otherwise shape a competing bid to win INNOVA’s business, using  
17 INNOVA’s confidential information. The information in these documents was developed at  
18 considerable effort and expense by INNOVA, and ARMGA had no legitimate reason to access  
19 these documents, in light of his plan to quit his employment at INNOVA and work in a  
20 competing venture.

21       21. INNOVA also subsequently learned, after ARMGA departed his employ at  
22 INNOVA, that months prior to announcing his departure from the employ of INNOVA,  
23 ARMGA had started working on the side at a competing business in Boise, Idaho. Working  
24 on the side violated the terms of ARMGA’s employment agreement with INNOVA. The name  
25 of that business enterprise was Armga Integrated Systems, Inc., a corporation formed  
26 September 8, 2010, nearly four months before ARMGA announced his resignation from  
27 INNOVA. INNOVA learned that while working as the lead project manager for INNOVA’s  
28 Boise Idaho operations, ARMGA was actively involved with Armga Integrated Systems, Inc.,

1 and/or ARMGA CONSULTING, using INNOVA's confidential information that ARMGA  
2 accessed and acquired by virtue of his employment capacity at INNOVA, in order to  
3 improperly compete with INNOVA, to improperly solicit work from INNOVA's customer,  
4 and to undermine INNOVA's relationship with its customer, all for ARMGA's personal  
5 advantage.

6       22. ARMGA used INNOVA's confidential customer information and trade secrets  
7 both prior to and after his resignation to unlawfully compete with INNOVA, and to induce  
8 defendant PIPER to work with him in competition with INNOVA.

9       23. In March 2011, PIPER resigned from INNOVA, giving only three days' notice  
10 of his planned departure. He informed INNOVA that he was leaving to work with his wife in  
11 her candle selling business, which was false. When he was specifically asked whether he was  
12 going to work with ARMGA or for INNOVA's government customer, he replied, "None of  
13 your business."

14       24. Computer forensic investigation has revealed the real reasons for PIPER's  
15 abrupt departure, his misrepresentation concerning his future plans, and his refusal to disclose  
16 his real plans. That investigation shows that shortly before announcing his resignation  
17 from INNOVA, PIPER accessed and downloaded a large volume of confidential INNOVA  
18 documents containing INNOVA's trade secrets. The volume of documents downloaded, and  
19 the types of documents downloaded, were unnecessary to any legitimate job performance  
20 requirements he had at INNOVA.

21       25. Before announcing his near-immediate resignation from INNOVA, PIPER was  
22 also communicating by email with ARMGA CONSULTING, to an email account of  
23 **glenn.piper@armgallc.com**, without any apparent legitimate justification for doing so. On  
24 information and belief, he did so in order to assist ARMGA and his companies in their  
25 unlawful schemes to compete unfairly against INNOVA, using INNOVA's trade secrets.  
26 PIPER, along with ARMGA, used electronic means to gain access to confidential trade secret  
27 content owned by INNOVA. On information and belief, using such improper means, they then  
28 forwarded, via email (including the use of an email address through Armga Integrated LLC) to

1 a personal computer and/or use of a removable media, various confidential trade secret  
2 documents of INNOVA, all of which is information subject to written confidentiality  
3 agreements between INNOVA, ARMGA and PIPER, and between INNOVA and its customer.

4       26. The information that PIPER had access to and secretly took was confidential  
5 trade secret information gathered over many years by INNOVA. Such information included  
6 confidential, nonpublic matter regarding INNOVA, the Department of Defense, the  
7 Department of Defense initiatives, and related matters.

8       27. The information and documents that ARMGA and PIPER unlawfully accessed  
9 and downloaded were subject to reasonable efforts by INNOVA to maintain their secrecy,  
10 including, but not limited to restricting the use or dissemination of such documents through  
11 INNOVA's employment agreements and policies, designating salary and labor billing rates as  
12 confidential in salary sensitivity training sessions attended by ARMGA, maintaining access  
13 codes and passwords to control individual access, designating certain of the material as  
14 "classified" by the Department of Defense, while maintaining all electronic files in password  
15 protected computers and databases. Information is accessible to INNOVA employees in the  
16 course of their duties for the Department of Defense, but those employees have been the  
17 subject of background checks and have received classified security clearances to perform their  
18 work, and complete their projects for which INNOVA has contracted with the Department of  
19 Defense.

20       28. Shortly after ARMGA's employment with INNOVA ended, and days before  
21 PIPER's abrupt announcement of his departure, INNOVA was shocked to learn that its  
22 contract had been awarded to another unnamed competitor. At no time prior to this surprise  
23 announcement was INNOVA ever informed that it was in jeopardy of losing its contract  
24 renewal, nor was INNOVA even made aware that the contract was up for bid to other  
25 competitors. ARMGA had prepared INNOVA's renewal bid, but INNOVA later learned that  
26 the unknown competitor who was awarded this contract was actually ARMGA  
27 CONSULTING, or some other entity owned and operated by defendant ARMGA. Since that  
28 time, ARMGA CONSULTING and the remaining defendants have unfairly obtained other

1 contracts, using the confidential information and trade secrets belonging to INNOVA, in  
2 breach of the agreements executed by ARMGA and PIPER, and in violation of law.

3 **FIRST CLAIM FOR RELIEF**

4 **(MISAPPROPRIATION OF TRADE SECRETS)**

5 29. INNOVA hereby incorporates the allegations contained in Paragraph 1 through  
6 28, above.

7 30. Through Defendants ARMGA and PIPER, Defendants had access to and used  
8 INNOVA's trade secrets without INNOVA's knowledge or permission, for the purpose of  
9 unlawfully competing against INNOVA.

10 31. Defendants' conduct constitutes the misappropriation of INNOVA's trade  
11 secrets in violation of the Uniform Trade Secrets Act. Cal. Civ. Code § 3426 *et seq.*

12 32. INNOVA took reasonable efforts to maintain the secrecy of its confidential  
13 customer information, including, but not limited to obtaining written promises from ARMGA  
14 and PIPER not to use or disclose INNOVA's confidential and trade secret customer  
15 information for anything other than the benefit of INNOVA, conducting sensitivity training  
16 about the confidential and competitive value of INNOVA's salary and labor rate information,  
17 and restricting access to confidential information and documents through passwords and access  
18 codes.

19 33. Defendants ARMGA and PIPER were obligated by the terms of their  
20 Employment Agreements and the Personnel Policy Manual to maintain the secrecy of  
21 INNOVA's trade secrets and confidential information, including customer information.

22 34. Further, the information that Defendants unlawfully took and used is available  
23 only on a need-to-know basis, and access was limited to Defendants ARMGA and PIPER by  
24 use of a password protected computer system, and its unlawful use by ARMGA and PIPER is  
25 in direct contravention of specific provisions of the INNOVA Employee Policy Manual, which  
26 ARMGA and PIPER previously acknowledged having read and understood.

27 35. As a proximate result of Defendants' unlawful actions, INNOVA has suffered  
28 damages, in an amount well in excess of \$75,000.00.

36. INNOVA has been, and continues to be, irreparably harmed by Defendants' misappropriation and use of INNOVA's trade secrets and, pursuant to Cal. Civ. Code § 3426.2, is therefore entitled to injunctive relief permanently enjoining Defendants and anyone acting in concert with them from using or disclosing such information, and requiring defendants to return INNOVA's confidential and trade secret information to INNOVA.

37. Defendants' misappropriation of INNOVA's trade secrets has been willful, entitling INNOVA to an award of its attorneys' fees and costs under Cal. Civ. Code § 3426.4.

## **SECOND CLAIM FOR RELIEF**

## **(BREACH OF FIDUCIARY DUTY)**

38. INNOVA hereby incorporates the allegations contained in Paragraphs 1-37 above.

39. As employees and agents of INNOVA, ARMGA and PIPER each owed a duty of loyalty to their employer and principal, INNOVA.

40. As part of that duty of loyalty, ARMGA and PIPER owed INNOVA a duty not to compete with INNOVA during the term of their employment with INNOVA, or otherwise further the interests of competitors of INNOVA while they remained employed by INNOVA.

41. ARMGA and PIPER breached their duty of loyalty by misappropriating INNOVA's confidential information trade secrets, and by actively working to compete against INNOVA while employed by INNOVA. ARMGA and PIPER further breached their duty of loyalty by assisting ARMGASYS and ARGMA CONSULTING and operating a side business with them, while employed by INNOVA.

42. As a result of ARMGA and PIPER's breach of duty of loyalty, INNOVA has been injured in an amount in excess of \$75,000.00.

### **THIRD CLAIM FOR RELIEF**

## **(BREACH OF CONTRACT)**

43. INNOVA hereby incorporates the allegations contained in Paragraphs 1-42 above.

44. ARMGA and PIPER agreed, as part of their employment, not to disclose or use

1 INNOVA's customer information after termination of their employment, and not to solicit  
2 INNOVA's employees or clients during or after termination of their employment.

3        45. While employed by INNOVA and thereafter, ARMGA and PIPER accessed,  
4 used, copied and misappropriated INNOVA's confidential customer and project information,  
5 and subsequently used that information on behalf of themselves for their own gain and profit.

6           46. INNOVA fully performed its obligations under its Employment Agreements  
7 with ARMGA and PIPER.

8       47.     ARMGA and PIPER materially breached their obligations to INNOVA, as  
9     alleged above.

10       48. As a proximate result of defendants' ARMGA and PIPER's breach, INNOVA  
11 has suffered damages, in excess of \$75,000.00.

## **FOURTH CLAIM FOR RELIEF**

**(TRADE LIBEL)**

14 49. INNOVA hereby incorporates the allegation of paragraphs 1 through 48 above.

15        50. On information and belief, commencing in or about December 2010, defendants  
16 ARMGA and PIPER, in concert with defendants ARMGASYS and ARMGA CONSULTING,  
17 began a campaign of slandering INNOVA to INNOVA's customer, making false and  
18 defamatory remarks to INNOVA's customer concerning INNOVA's ability to perform work  
19 for its customer competently, cost effectively, timely, and efficiently. Defendants ARMGA  
20 and PIPER falsely asserted that INNOVA did not have the capability to meet customer  
21 expectations as to the pricing of projects, that INNOVA did not have the manpower or ability  
22 to meet the customer's expectations to complete certain projects in a timely manner, that  
23 INNOVA did not have experienced staff available to handle future projects for the customer in  
24 an efficient and cost effective manner, and that INNOVA had designed its project management  
25 with unnecessary and inflated expense.

26        51. These statements were false and defamatory. These statements disparaged  
27 INNOVA's professional competence and integrity.

28 52. Each of the statements made by Defendants to INNOVA's customer was false,

and defendants knew each statement was false when made.

53. As a proximate result of Defendants' false and defamatory statements, INNOVA lost an expected contract award worth approximately \$500,000 in revenue, and has lost additional contract awards in 2011 and 2012 whose value would have been approximately \$500,000. In addition to this lost revenue, INNOVA suffered a loss of reputation and goodwill with its customer, the result of which has been to reduce INNOVA's revenues from contract awards from that customer.

54. In making the false and defamatory statements alleged herein, Defendants acted with oppression, fraud and malice, warranting an award of punitive damages in an amount sufficient to punish and make an example of them, and to deter such misconduct by others.

## **FIFTH CLAIM FOR RELIEF**

# (INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE)

55. INNOVA hereby incorporates the allegations contained in Paragraph 1-54 above.

56. INNOVA had an economic relationship with its clients, and Defendants had knowledge of this relationship.

57. INNOVA had a probability of future economic benefit as a result of its relationship with its clients. ARMGA and PIPER were privy to INNOVA'S communications with its customer concerning future contract awards from the customer, and they knew that INNOVA had a probability of future economic benefit through continued contract awards from the customer.

58. Defendants intentionally interfered with INNOVA's relationship with its customer, using wrongful and unlawful means, including: misappropriating and using INNOVA's trade secrets and confidential information; using INNOVA confidential information in violation of the employment agreements and policies agreed to by ARMGA and PIPER; making false and defamatory statements about INNOVA to INNOVA's customer; operating a side business (whose purpose was to compete against INNOVA) while employed

1 by INNOVA, in violation of the employment agreements executed by ARMGA and PIPER;  
2 deliberately destroying evidence of ARMGA's improper activities while still employed at  
3 INNOVA; deliberately misrepresenting facts concerning their planned business activities to  
4 INNOVA when resigning their employment, in order to prevent INNOVA from discovering  
5 defendants' unlawful scheme and to prevent INNOVA from protecting its interests.

6           59. As a proximate result of Defendants' unlawful and improper acts of  
7 interference, INNOVA has been damaged in an amount in excess of \$75,000.00.

8       60. Defendants' acts were willful, malicious and undertaken in knowing disregard  
9 of INNOVA's rights, entitling INNOVA to an award of punitive damages in an amount  
10 sufficient to punish and make an example of them and to deter such misconduct by others.

## **SIXTH CLAIM FOR RELIEF**

## **(UNFAIR BUSINESS PRACTICES)**

13           61. INNOVA hereby incorporates the allegations contained in Paragraph 1-60  
14 above.

15       62. By engaging in the acts alleged herein, defendants engaged in unfair, unlawful  
16 and fraudulent acts, which constitute unfair business practices under the Unfair Competition  
17 Law, Cal. Bus. & Prof. Code §17200 *et seq.*

WHEREFORE, INNOVA prays for judgment against defendants as follows:

19        1. For compensatory damages according to proof;

20        2. For punitive damages;

21        3. For attorneys' fees and costs;

22        4. For a permanent injunction, prohibiting Defendants and any of Defendants'

23 employees, agents and those acting in concert with them, from disclosing or using INNOVA's

24 documents, confidential information, or trade secrets;

25        5. For a permanent injunction, prohibiting Defendants and any of Defendants'

26 employees, agents and those acting in concert with them, from doing business with INNOVA's

27 existing and prospective clients, for a period of one year;

28        6. For an accounting and disgorgement of all monies, profits and other benefits

1 obtained by defendants as a result of their wrongful conduct;

2       7.     For a permanent injunction compelling Defendants to return to INNOVA any  
3 and all INNOVA documents, trade secrets and confidential information in Defendants'  
4 possession, custody or control;

5       8.     For such other relief as the Court may deem just and proper.

6

7 DATED: May 22, 2012

CHAPIN FITZGERALD SULLIVAN & BOTTINI LLP

9 By: /s/ Kenneth M. Fitzgerald

10           Kenneth M. Fitzgerald, Esq.

11           Douglas J. Brown, Esq.

12           Attorneys for Plaintiff

13           InnovaSystems International, LLC

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## Jury Demand

Plaintiff hereby demands a trial by jury.

DATED: May 22, 2012

CHAPIN FITZGERALD SULLIVAN & BOTTINI LLP

By: /s/ Kenneth M. Fitzgerald  
Kenneth M. Fitzgerald, Esq.  
Douglas J. Brown, Esq.  
Attorneys for Plaintiff  
InnovaSystems International, LLC

**CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

**I. (a) PLAINTIFFS**

InnovaSystems International, LLC

(b) County of Residence of First Listed Plaintiff San Diego

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Chapin Fitzgerald Sullivan & Bottini LLP  
[See Attachment]**DEFENDANTS**Glenn Piper, an individual; David Armga, an individual;  
[See Attachment]

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE  
LAND INVOLVED.

Attorneys (If Known)

**'12CV1239 W BGS****II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

<input type="checkbox"/> 1 U.S. Government Plaintiff	<input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)
<input type="checkbox"/> 2 U.S. Government Defendant	<input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)  
(For Diversity Cases Only)

Citizen of This State	PTF <input checked="" type="checkbox"/> 1	DEF <input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	PTF <input checked="" type="checkbox"/> 4	DEF <input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input checked="" type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input checked="" type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance	<b>PERSONAL INJURY</b>	<b>PERSONAL INJURY</b>	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 362 Personal Injury - Med. Malpractice	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 365 Personal Injury - Product Liability	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 140 Negotiable Instrument	<input checked="" type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<b>PROPERTY RIGHTS</b>	<input type="checkbox"/> 450 Commerce
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 330 Federal Employers' Liability	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 340 Marine Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 480 Consumer Credit	<input type="checkbox"/> 480 Consumer Credit
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 490 Cable/Sat TV	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 385 Property Damage	<input type="checkbox"/> 510 Selective Service	<input type="checkbox"/> 510 Selective Service
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 390 Other Personal Injury	<input type="checkbox"/> 850 Securities/Commodities/ Exchange	<input type="checkbox"/> 850 Securities/Commodities/ Exchange
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 400 Trademark	<input type="checkbox"/> 861 HIA (1395ff)	<input type="checkbox"/> 870 Customer Challenge
<input type="checkbox"/> 195 Contract Product Liability			<input type="checkbox"/> 862 Black Lung (923)	12 USC 3410
<input type="checkbox"/> 196 Franchise			<input type="checkbox"/> 863 DIWC/DIW (405(g))	<input type="checkbox"/> 890 Other Statutory Actions
<b>REAL PROPERTY</b>	<b>CIVIL RIGHTS</b>	<b>PRISONER PETITIONS</b>	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 891 Agricultural Acts
<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 892 Economic Stabilization Act
<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 442 Employment	<b>Habeas Corpus:</b>	<b>SOCIAL SECURITY</b>	<input type="checkbox"/> 893 Environmental Matters
<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 443 Housing/ Accommodations	<input type="checkbox"/> 530 General	<input type="checkbox"/> 861 Fair Labor Standards Act	<input type="checkbox"/> 894 Energy Allocation Act
<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 444 Welfare	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 862 Labor/Mgmt. Relations	<input type="checkbox"/> 895 Freedom of Information Act
<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 445 Amer. w/Disabilities - Employment	<input type="checkbox"/> 540 Mandamus & Other	<input type="checkbox"/> 863 DIWC/DIW (405(g))	<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice
<input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 446 Amer. w/Disabilities - Other	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 950 Constitutionality of State Statutes
	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 865 RSI (405(g))	
			<b>FEDERAL TAX SUITS</b>	
			<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	
			<input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	

**V. ORIGIN**

(Place an "X" in One Box Only)

<input checked="" type="checkbox"/> 1 Original Proceeding	<input type="checkbox"/> 2 Removed from State Court	<input type="checkbox"/> 3 Remanded from Appellate Court	<input type="checkbox"/> 4 Reinstated or Reopened	<input type="checkbox"/> 5 Transferred from another district (specify) _____	<input type="checkbox"/> 6 Multidistrict Litigation	<input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judgment
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Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
**28 U.S.C. § 1332****VI. CAUSE OF ACTION**Brief description of cause:  
**Trade Secret Misappropriation****VII. REQUESTED IN COMPLAINT:** CHECK IF THIS IS A CLASS ACTION  
UNDER F.R.C.P. 23**DEMAND \$**

CHECK YES only if demanded in complaint:

**JURY DEMAND:**  Yes  No**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

05/22/2012

s/ Kenneth M. Fitzgerald

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

ATTACHMENT TO CIVIL COVER SHEET  
Form JS 44

I. (c) Attorneys' Firm Name , Address and Telephone Number

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David Armga, an individual;

ArmgaSys, Inc., an Idaho corporation;

Armga Consulting, LLC, an Idaho limited liability company